

#### REMARKS

The claims have been amended to more clearly define the invention as disclosed in the written description. In particular, the claims have been amended for clarity.

The Examiner has rejected claims 1-15 under 35 U.S.C. 101 in that the claimed invention is purportedly directed to non-statutory subject matter.

Applicants believe that the claims are indeed statutory in that a signal is indeed synthesized and includes sinusoids comprises in a plurality of consecutive time segments, the sinusoids being based on the at least one frequency value that the encoded data contains in corresponding segments, in which the sinusoidal segments are weighted differently in dependence on whether the encoded data is detected as having transients in corresponding segments.

In order to clarify, Applicants refer the Examiner to U.S. Patent 6,925,434 (corresponding to the originally cited PCT Publication WO 01/96593) which describes a system in which the subject invention may be used. In particular, as shown in Fig. 2 therein, an audio signal is first applied to a transient encoder 11 which then forms encoded data X1 along with transient data information CT. This encoded data, along with the transient data information, is then applied to a sinusoidal encoder 13 which synthesizes a signal (comprising sinusoids) to be subtracted (in 17) from the encoded data. The subject invention presents a modified form of this sinusoidal encoder.

In view of the above, Applicants believe that the subject invention, as claimed in claims 1-15 is indeed statutory under 35 U.S.C. 101.

Applicants believe that this application, containing claims 1-15, is now in condition for allowance and such action is respectfully requested.

Respectfully submitted,

by           /Edward W. Goodman/            
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